

OPEN MEETING ITEM

2/23/12



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COMMISSIONERS
GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR



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ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

ORIGINAL

MEMORANDUM

TO: Gary Pierce, Chairman
Bob Stump
Sandra D. Kennedy
Paul Newman
Brenda Burns

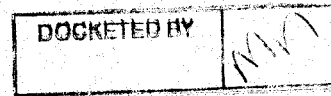
Arizona Corporation Commission

DOCKETED

FROM: Matthew J. Neubert *mjn*
Director of Securities

FEB 13 2012

DATE: February 10, 2012



RE: *In re MAGLEV Wind Turbine Technologies, Inc., et al.*, Docket No. S-20788A-11-0096

CC: Ernest G. Johnson, Executive Director

Attached for your consideration is a proposed Order To Cease And Desist, Order For Administrative Penalties and Consent to Same executed by Respondents MAG T, Inc. ("MAG T";, RLGMAN Corp. ("RLGMAN"); Stable, LLC ("Stable"); Richard L. Green ("Green"); and Donald Andrew Rothman ("Rothman") (collectively "Respondents") ("Consent Order").

The Consent Order finds that between approximately August 2007 through February 2010, Respondents offered and sold to investors located throughout the United States interests in a proposed wind energy development project. The wind energy development project was to be located in Sierra Vista, Arizona. The Consent Order further finds that Respondents violated A.R.S. §§ 44-1841 and 44-1842 by offering and selling unregistered securities while being unregistered as dealers or salesmen. It also finds that the Respondents violated the anti-fraud provisions of A.R.S. § 44-1991.

The Consent Order requires (a) Respondents to permanently cease and desist from violating the Securities Act; (b) Respondents MAG T and Rothman to pay restitution in the amount of \$2,295,455 and a \$75,000 administrative penalty; and (c) Respondents RLGMAN, Stable, and Green to pay restitution in the amount of \$1,822,393 and a \$75,000 administrative penalty. The Division believes that this Consent Order is appropriate to protect the public welfare.

Originator: Julie A. Coleman

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GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

Respondents.

DONALD ANDREW ROTHMAN

DONALD ANDREW ROTHMAN ("Respondents") elect to permanently waive any right to a

1 hearing and appeal under Articles 11 and 12 of the Securities Act of Arizona, A.R.S. § 44-1801 *et*
2 *seq.* ("Securities Act") with respect to this Order To Cease And Desist, Order for Restitution, Order
3 for Administrative Penalties and Consent to Same ("Order"). Respondents admit the jurisdiction of
4 the Arizona Corporation Commission ("Commission"); neither admit nor deny the Findings of Fact
5 and Conclusions of Law contained in this Order; and consent to the entry of this Order by the
6 Commission.

7 I. FINDINGS OF FACT

8 1. Maglev Wind Turbine Technologies, Inc. ("MWTT") was formed in Nevada on May
9 17, 2007. Corporation documents filed with the Nevada Secretary of State identify Edward L. Mazur
10 as director and treasurer and Ronnie Williams as president, director and secretary. On September 12,
11 2007, MWTT filed with the Commission an Application for Authority to Transact Business in Arizona
12 identifying Edward L. Mazur as chief executive officer and director and Ronnie Williams as president
13 and director. MWTT has been offering, selling and/or issuing interests identified as joint venture
14 interests as discussed below within and from Arizona. MWTT has not been registered with the
15 Commission as a securities dealer.

16 2. Maglev Renewable Energy Resources, Inc. ("MRER") was formed in Wyoming on
17 July 31, 2007. Corporation documents filed with the Wyoming Secretary of State identify both
18 Edward L. Mazur and Ronnie Williams as directors. On September 21, 2007, MRER filed with the
19 Commission an Application for Authority to Transact Business in Arizona identifying Edward L.
20 Mazur as chairman and director and Ronnie Williams as president and director. MRER has been
21 offering, selling and/or issuing interests identified as joint venture interests as discussed below within
22 and from Arizona. MRER has not been registered with the Commission as a securities dealer.

23 3. Renewable Energy Development, Inc. ("RED") was formed in Arizona on May 13,
24 2008. Corporation documents filed with the Commission identify Edward L. Mazur as chairman and
25 director and Ronnie Williams as president and director. RED has been offering, selling and/or issuing
26 interests identified as joint venture interests as discussed below within and from Arizona. RED has not

1 been registered with the Commission as a securities dealer.

2 4. Renewable Energy Systems, Inc. ("RES") was formed in Arizona on May 13, 2008.
3 Corporation documents filed with the Commission identify Edward L. Mazur as chairman and director
4 and Ronnie Williams as president and director. RES has been offering, selling and/or issuing interests
5 identified as joint venture interests as discussed below within and from Arizona. RES has not been
6 registered with the Commission as a securities dealer.

7 5. MWTT, MRER, RED and RES all maintain their principal place of business at 2160 E.
8 Fry Blvd., #283, Sierra Vista, Arizona.

9 6. At all times relevant, Edward L. Mazur ("Mazur") has been a resident of Arizona and
10 has not been married. Mazur has not been registered with the Commission as a securities dealer or
11 securities salesman.

12 7. At all times relevant, Ronnie Williams ("Williams") has been a resident of Arizona and
13 has not been married. Williams has not been registered with the Commission as a securities dealer or
14 securities salesman.

15 8. MAG T, INC. ("MAG T") was formed in Florida on or about October 4, 2007.
16 Corporation documents filed with the Florida Department of State, Division of Corporations, identify
17 DONALD ANDREW ROTHMAN as president. MAG T has been offering and selling interests
18 identified as joint venture interests as discussed below within and from Arizona. MAG T has not been
19 registered with the Commission as a securities dealer.

20 9. RLGMAN CORP. ("RLGMAN") was formed in Florida on or about March 3, 2006.
21 Corporation documents filed with the Florida Department of State, Division of Corporations, identify
22 RICHARD L. GREEN as president. RLGMAN has been offering, selling and/or issuing interests
23 identified as joint venture interests as discussed below within and from Arizona. RLGMAN has not
24 been registered with the Commission as a securities dealer.

25 10. MAG T and RLGMAN maintain their principal place at 50 SE 2nd Ave., Boca Raton,
26 Florida.

1 11. STABLE, LLC ("STABLE") was formed in Florida on or about July 10, 2006.
2 Documents filed with the Florida Department of State, Division of Corporations, identify RLGMAN
3 as a managing member. STABLE was administratively dissolved on September 14, 2007. STABLE
4 maintains its principal place of business at 2300 West Sample Road, Suite 202, Pompano Beach,
5 Florida. Stable has been offering and selling interests identified as joint venture interests as discussed
6 below within and from Arizona. STABLE has not been registered with the Commission as a securities
7 dealer.

8 12. At all times relevant, RICHARD L. GREEN ("GREEN") has been a resident of
9 Florida. GREEN has not been registered with the Commission as a securities dealer or securities
10 salesman.

11 13. At all times relevant, DONALD ANDREW ROTHMAN ("ROTHMAN") has been a
12 resident of Florida. ROTHMAN has not been registered with the Commission as a securities dealer or
13 securities salesman.

14 **A. THE "CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUMS"**

15 14. Since at least June 2007, Respondents Mazur and Williams, through various entities
16 including MWTT, MRER, RED and RES, have been involved in the wind energy development
17 business.

18 15. From in or around June 2007 through at least December 2009, in an attempt to fund
19 their various wind energy development projects, Mazur and Williams, through MWTT, MRER,
20 RED, and RES, have been offering and selling what have been characterized as "joint venture
21 interests" ("interests") to 318 investors located throughout the United States and Canada in an
22 amount totaling at least \$16,909,797.

23 16. In connection with their sales to investors, Mazur and Williams, through MWTT,
24 MRER, RED, and RES have employed various sales agents such as MAG T, RLGMAN, STABLE,
25 GREEN and ROTHMAN, to provide investors with offering documents in the form of
26 "Confidential Private Placement Memorandums," each of which include as attachments a "Joint

1 Venture Agreement” and various subscription documents (collectively “the PPM(s)” or “the
2 offering materials”).

3 17. Generally, private placement memorandums are provided in connection with the
4 sale of securities that are sold without an initial public offering, usually to a small number of
5 chosen private investors. In this case, the PPMs set forth that the managing venturer does not
6 believe that the interests constitute securities. Notwithstanding this assertion, investors were
7 provided with the PPMs in connection with their investments.

8 18. The PPMs also set forth that the sale of the interests are restricted to accredited
9 investors only. The term “accredited investor” is a term defined by various securities laws and
10 would have no application in the context of the sale of an investment alleged not to be a security.

11 19. Nevertheless, a significant number of investors were not accredited and Respondents
12 Mazur and Williams did not conduct a nonpublic offering or limit the offering to a small number of
13 private investors. Instead, investors with whom Mazur and Williams did not have a preexisting
14 relationship were solicited via telephone by sales agents.

15 20. The offering materials describe at least three distinct joint ventures identified as the
16 Arizona Maglev Wind Turbine Joint Venture 1 (“AMWTJV1”), dated June 15, 2007; the Maglev
17 Renewable Energy Resources Joint Venture (“MRERJV”), dated January 2, 2008; and the
18 Renewable Energy Development Joint Venture (“REDJV”), dated February 16, 2009.

19 21. The offering materials identify the managing joint venturer of AMWTJV1 and
20 REDJV as MWTT and identify MRER as the managing joint venturer for MRERJV. MWTT and
21 MRER are described as entities formed for the principal purpose of acquiring, exploring and
22 producing wind energy.

23 22. The offering materials describe the primary purpose of the joint ventures to be the
24 acquisition of interests in wind energy properties including the development of a vertical axis wind
25 turbine utilizing magnetic levitation technology, or “maglev.”

26 23. With regard to the acquisition of interests in wind energy projects, the offering

1 materials represent that MWTT "is currently evaluating one hundred (100) prime wind energy
2 leases comprising approximately 10,000 acres in Arizona, California, Nevada and New Mexico."

3 24. With regard to the development of a vertical axis wind turbine, the offering
4 materials explain to investors the details related to the development, patent and production of a
5 wind turbine known as the "Maglev Regenedyne™ Turbine."

6 25. According to the offering materials, each joint venture, through a proposed
7 development agreement, would have the right to participate in the development of wind energy
8 projects and the sale of wind turbines utilizing the maglev technology.

9 26. Some of the offering materials supplied to investors include a detailed analysis of
10 the market for wind power and the development of wind turbine technology.

11 27. Promotional materials, supplied to investors by Mazur and Williams and the sales
12 agents they retained, include projections that the sale of a 1 gigawatt maglev wind turbine would
13 produce a net profit of about \$2 billion. Further, of the net profit projected, \$200,000,000 would be
14 allocated to the joint venture(s) for pro rata distribution to each unit purchased, resulting in each
15 unit owner receiving a check for \$1,000,000. According to the promotional materials, projected
16 revenue for 2010 and 2011 was \$12,000,000,000.

17 28. The offering materials describe the purpose of the investment and set forth how
18 investors' funds are to be used including, but not limited to, expenses for engineering, site
19 preparation, related fees and commissions, legal fees, equipment, payroll taxes and accounting.

20 29. Investors were informed that they would receive 99 percent of all revenues, if any.
21 Further, investors were also promised that they would receive a 20 percent annual disbursement
22 paid quarterly.

23 30. Promotional materials forwarded to investors after their initial investment continue
24 to promote the design, development and production of wind turbines and suggest to investors that
25 the "assets and business interests" of at least one of the joint ventures may be converted into stock
26 of a publicly traded company.

1 31. Promotional materials in the form of "Partner Updates" further represent to investors
2 that there have been over 2,000 indications of interest in the wind turbines coming from various
3 countries including India, Africa, South America, Europe and the United States. Further, at least
4 one of the partner updates represents to investors that MWTT has "received commitments for over
5 200 total Megawatts of our mobile units" and that MWTT has "received verbal commitments for
6 our first Gigawatt Turbine."

7 32. Upon information and belief, no wind turbines have been sold to date.

8 33. Promotional materials provided to investors contained bank account information to
9 allow investors to wire transfer their investment funds to Arizona-based bank accounts in the name
10 of MWTT, MRER, RED and RES.

11 34. From bank accounts in the name of MWTT or MRER, Mazur and Williams paid
12 \$2,510,809 of the amount received from investors to other investors in the form of interest
13 payments.

14 35. MWTT, MRER, Mazur and Williams failed to inform investors that \$2,510,809 of
15 the amount received from investors would be used to make interest payments to investors.

16 36. Mazur and Williams are identified as authorized signors on the bank accounts for
17 MWTT, MRER, RED and RES.

18 37. To date, no investor has received all of their promised returns or a return of their
19 principal investment amount.

20 **B. JOINT VENTURE MANAGEMENT**

21 38. The offering materials provided to investors purport to grant "extensive and
22 significant management powers" to investors including, but not limited to, the ability to replace the
23 managing joint venturer. However, pursuant to the terms and conditions set forth in the offering
24 materials, investors are required to acknowledge before investing that they agree to the delegation
25 of management of the day-to-day "Operations" to the managing joint venturer, MWTT or MRER.
26 "Operations" is broadly defined within the respective joint venture agreements to include "any

1 Joint Venture activity related to acquiring the Prospect properties or conducting any activity
2 incident to the foregoing as may be deemed necessary by the Venturers [inclusive of investors and
3 managing venturers] in furtherance of the Joint Venture purpose.”

4 39. Although the offering materials allegedly confer “extensive and significant
5 management powers” to the investors and explicitly confer upon investors the right to select or
6 replace the managing joint venturer, investors were not provided with any information related to
7 the identity or contact information of other investors to allow them to come together and exercise
8 any of those powers.

9 40. Respondents Mazur, Williams MWTT, MRER, RED and RES did not provide
10 investors with the opportunity to exercise any meaningful venture powers. Instead, Mazur and
11 Williams unilaterally made all decisions, notwithstanding whether or not they were related to the
12 daily business operations underlying the various wind energy development projects. For example,
13 investors were not consulted with or otherwise ever made aware of the various commission
14 agreements executed with GREEN, ROTHMAN, MAG T, RLGMAN and STABLE as described
15 below. Investors were not consulted with regard to the hiring of key personnel. Further, Mazur
16 and Williams never consulted with investors before deciding to change the terms related to how
17 investors were going to be compensated.

18 41. The offering materials set forth that the managing venturers’ (MWTT, MRER)
19 ability to manage the joint venture(s) is “predominantly dependent upon the managing venturers’
20 directors and principal executive officers [Mazur and Williams].”

21 42. The following description of Mazur is included within the offering materials:

22 “Mr. Mazur is one of the premier specialists in building wind energy
23 companies which endeavor to accomplish timely completion schedules as well
24 as maximize Project revenues. Mr. Mazur is the foremost authority on the
25 diversified application of Magnetic Levitation Technology or Maglev. At 60,
26 Mr. Mazur’s philosophy for good health and success is focused on moderation
and prevention. His solution for limiting the unabated used (sic) of fossil
fuels, which is the scourge and double edged sword for mankind, rises in the
form of Wind Power with Maglev. Mr. Mazur has researched variable

1 renewable energy sources since 1981 and has established a proven maglev
2 wind power generation model based on kinetic energy of which the major
3 components are wind and speed. Mr. Mazur has also qualified maglev wind
4 power applications for the transportation industries to include automotive
5 (leisure and commercial), marine, aircraft (fixed wing and rotary) and
6 autonomous freight vehicles (AFV). Mr. Mazur's unparalleled knowledge of
7 the diversified renewable energy markets and extreme engineering industries
8 and the location of the most desirable wind/solar energy properties will
9 maximize Project Production Revenues. The management and consulting
10 team has hundreds of years of combined experience in related fields of
11 expertise and experience."

12 43. The following description of Williams is included within the offering materials:

13 "Mr. Ron Williams has 25 years of innovative sales, management, and
14 marketing experience in financial database consulting, and unique consumer
15 products related to magnetic field fuel enhancement for diesel, and gasoline
16 combustion engines. Mr. Williams has been Ed Mazur's "right hand" man in
17 research, development, and financing for the Regenedyne Turbine project
18 over the last 6 years. Mr. Williams brings an insightful management
19 perspective for the direction the company must pursue in addition to
20 collaborating the selection process of Regenedyne's professional team. Mr.
21 Williams will primarily handle the operational management of the company."

22 44. Investors had no significant knowledge related to the wind energy development
23 business and did not possess the requisite business knowledge and experience to select an
24 appropriate managing venturer to replace either MWTT or MRER to manage the day-to-day
25 business operations.

26 45. As a result, the 318 investors widely dispersed across the United States were entirely
dependent upon the alleged expertise of Mazur and Williams and their unique, specialized
knowledge with regard to the wind energy development projects and were unable to effectively
exercise any of the managerial powers and authority allegedly conferred upon them as set forth in
the offering materials.

27 C. COMMISSION AGREEMENTS

28 46. On or about July 9, 2007, Mazur, on behalf of MWTT, entered into an agreement
29 titled "Employment Agreement" with GREEN and ROTHMAN, on behalf of STABLE. Pursuant

1 to the terms of the agreement, STABLE, through GREEN and ROTHMAN, agreed to "... provide
2 such investor relation services with regard to certain capital introduction opportunities with
3 investors. The services may include various types of financial arrangements, including directing
4 investment by the investors into the company."

5 47. In exchange for the services to be provided by STABLE, through GREEN and
6 ROTHMAN, Mazur, on behalf of MWTT, agreed to compensate STABLE 50 percent of any funds
7 invested with MWTT.

8 48. In a July 9, 2007, addendum to the above agreement, Mazur, on behalf of MWTT,
9 agreed to pay additional compensation to GREEN and ROTHMAN in the form of a share of the net
10 profits received upon the sale of wind turbines. Pursuant to the addendum, GREEN and
11 ROTHMAN would be entitled to receive an amount equal to the amount raised by them multiplied
12 by a certain rate of return calculated based upon the net profit earned from the sale of wind
13 turbines. A sample calculation set forth in the addendum, based upon projected figures and
14 contingent on the sale of wind turbines, results in GREEN and ROTHMAN together being entitled
15 to receive \$125 million from MWTT. The addendum also contemplates GREEN and ROTHMAN
16 being compensated in the event no wind turbines are sold, but revenue is instead generated from the
17 sale of electricity. In this scenario and according to the terms contained in the addendum, GREEN
18 and ROTHMAN would be entitled to receive one percent of quarterly sales revenue. Finally the
19 addendum to the agreement requires that GREEN and ROTHMAN be compensated if "this joint
20 venture" becomes involved "in a public arena."

21 49. On or about August 1, 2008, Mazur as CEO and Williams, both on behalf of
22 MWTT, entered into a subsequent agreement setting forth the compensation to be paid to GREEN
23 and ROTHMAN related to the sale of the "Gigawatt Maglev Turbine."

24 50. Pursuant to the terms contained in the August 1, 2008, agreement, GREEN and
25 ROTHMAN would receive, in addition to the compensation payable to them pursuant to the July 9,
26 2007, agreement and addendum, a share of the net profits from the sale of the "Gigawatt Maglev

1 Wind Turbine.” A sample calculation set forth in the August 1, 2008, agreement, based upon
2 projected figures and contingent upon there being sales of the “Gigawatt Maglev Wind Turbine,”
3 results in GREEN and ROTHMAN together being entitled to receive \$125 million.

4 51. Unlike the July 9, 2007, agreement and addendum, the August 1, 2008, agreement
5 sets forth that GREEN and ROTHMAN would be compensated a share of [gross] profits from the
6 sale of the “Megawatt Turbines.” This additional calculation of compensation to be paid to
7 GREEN and ROTHMAN is based upon them being treated as though they had purchased interests
8 in one of the joint ventures. A sample calculation based on certain projected revenues results in a
9 projected payment to GREEN and ROTHMAN each of \$3,125,000 per quarter.

10 52. Similar to the July 9, 2007, agreement and addendum, the August 1, 2008,
11 agreement contemplates GREEN and ROTHMAN being compensated in the event no wind
12 turbines are sold, but revenue is instead generated from the sale of electricity. In this event,
13 GREEN and ROTHMAN would be entitled to receive one percent of quarterly sales revenue. The
14 August 1, 2008, agreement also requires that GREEN and ROTHMAN be compensated if “this
15 joint venture or MWTT” becomes involved “in the public arena.”

16 53. Finally, the August 1, 2008, agreement requires that GREEN and ROTHMAN be
17 compensated if there is a change in control or ownership of MWTT and/or if Mazur sells
18 substantially all of his ownership interest or otherwise relinquishes control of MWTT.

19 54. On January 25, 2010, in an addendum to the August 1, 2008, agreement, Mazur and
20 Williams, on behalf of all maglev wind turbine companies or corporations owned by them, agreed
21 with GREEN and ROTHMAN to pay additional compensation to GREEN and ROTHMAN.
22 Pursuant to the January 25, 2010 addendum, GREEN and ROTHMAN would receive “10% of all
23 capitol (sic) raised thru their [GREEN and ROTHMAN] effort or contact.” In addition, GREEN
24 and ROTHMAN would receive a five percent ownership interest in any maglev wind turbine
25 company or corporation owned by Mazur and Williams.

26 55. In yet another agreement requiring compensation to be paid to GREEN and

1 ROTHMAN, on August 21, 2009, Williams, on behalf of MWTT, agreed with GREEN and
2 ROTHMAN to compensate MAG T and RLGMAN together one half of one percent of all amounts
3 raised by GREEN and ROTHMAN from investors.

4 56. The above agreements and addendums do not clearly specify to which joint venture
5 they are applicable.

6 57. Beginning in or around October 2007 and continuing to at least January 2010 and
7 pursuant to some or all of the agreements set forth above, Mazur and Williams through MWTT,
8 MRER, RED and RES, paid sales agents such as GREEN, ROTHMAN, MAG T, RLGMAN and
9 STABLE, at least \$8,844,313 in sales commissions.

10 58. Respondents GREEN, ROTHMAN, MAG T, RLGMAN and STABLE failed to
11 inform investors that Mazur, Williams, MWTT, MRER, RED and RES would use funds received
12 from investors to pay sales commissions to sales agents such as GREEN, ROTHMAN, MAG T,
13 RLGMAN and STABLE in an amount of least \$8,844,313.

14 II. CONCLUSIONS OF LAW

15 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
16 Arizona Constitution and the Securities Act.

17 2. Respondents offered or sold securities within or from Arizona, within the meaning
18 of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

19 3. Respondents violated A.R.S. § 44-1841 by offering or selling securities that were
20 neither registered nor exempt from registration.

21 4. Respondents violated A.R.S. § 44-1842 by offering or selling securities while
22 neither registered as dealers or salesmen nor exempt from registration.

23 5. Respondents violated A.R.S. § 44-1991 by (a) employing a device, scheme, or
24 artifice to defraud, (b) making untrue statements or misleading omissions of material facts, and (c)
25 engaging in transactions, practices, or courses of business that operate or would operate as a fraud
26 or deceit.

3 7. Respondents' conduct is grounds for an order of restitution pursuant to A.R.S. § 44-
4 2032.

5 8. Respondents' conduct is grounds for administrative penalties under A.R.S. § 44-
6 2036.

8 THEREFORE, on the basis of the Findings of Fact, Conclusions of Law, and Respondents'
9 consent to the entry of this Order, attached and incorporated by reference, the Commission finds
10 that the following relief is appropriate, in the public interest, and necessary for the protection of
11 investors:

IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondents, and any of Respondents' agents, employees, successors and assigns, permanently cease and desist from violating the Securities Act.

15 IT IS FURTHER ORDERED that Respondents comply with the attached Consent to Entry
16 of Order.

17 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents MAG T and
18 ROTHMAN shall, jointly and severally, pay restitution to the Commission in the principal amount
19 of \$2,295,455. Payment is due in full on the date of this Order. Payment shall be made to the
20 “State of Arizona” to be placed in an interest-bearing account controlled by the Commission. Any
21 principal amount outstanding shall accrue interest at the rate of 10 percent per annum from the date
22 of this Order until paid in full.

IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondents RLGMAN, STABLE, and RICHARD L. GREEN shall, jointly and severally, pay restitution to the Commission in the principal amount of \$1,822,393. Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-bearing account

1 controlled by the Commission. Any principal amount outstanding shall accrue interest at the rate of
2 10 percent per annum from the date of this Order until paid in full.

3 The Commission shall disburse the restitution funds on a pro-rata basis to investors shown
4 on the records of the Commission. Any restitution funds that the Commission cannot disburse
5 because an investor refuses to accept such payment, or any restitution funds that cannot be
6 disbursed to an investor because the investor is deceased and the Commission cannot reasonably
7 identify and locate the deceased investor's spouse or natural children surviving at the time of the
8 distribution, shall be disbursed on a pro-rata basis to the remaining investors shown on the records
9 of the Commission. Any funds that the Commission determines it is unable to or cannot feasibly
10 disburse shall be transferred to the general fund of the state of Arizona.

11 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents MAG T and
12 ROTHMAN shall, jointly and severally, pay an administrative penalty in the amount of \$75,000.00.
13 Payment is due in full on the date of this Order. Payment shall be made to the "State of Arizona."
14 Any amount outstanding shall accrue interest from the date judgment is entered at the rate of 10
15 percent per annum.

16 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondents RLGMAN,
17 STABLE, and RICHARD L. GREEN shall, jointly and severally, pay an administrative penalty in
18 the amount of \$75,000.00. Payment is due in full on the date of this Order. Payment shall be
19 made to the "State of Arizona." Any amount outstanding shall accrue interest from the date
20 judgment is entered at the rate of 10 percent per annum.

21 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be
22 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments
23 shall be applied to the penalty obligation.

24 IT IS FURTHER ORDERED, that if any Respondent fails to comply with this order, the
25 Commission may bring further legal proceedings against that Respondent, including application to
26 the superior court for an order of contempt.

1 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this
2 Order shall be deemed binding against any Respondent under this Docket Number who has not
3 consented to the entry of this Order.

4 IT IS FURTHER ORDERED that this Order shall become effective immediately.

5 BY ORDER OF THE ARIZONA CORPORATION COMMISSION
6
7

8 CHAIRMAN

COMMISSIONER

9
10 COMMISSIONER

COMMISSIONER

COMMISSIONER

11
12 IN WITNESS WHEREOF, I, ERNEST G. JOHNSON,
13 Executive Director of the Arizona Corporation Commission,
14 have hereunto set my hand and caused the official seal of the
Commission to be affixed at the Capitol, in the City of
Phoenix, this _____ day of _____, 2012.

15
16
17 ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

18
19 DISSENT

20
21
22 DISSENT

23 This document is available in alternative formats by contacting Shaylin A. Bernal, ADA
24 Coordinator, voice phone number 602-542-3931, e-mail sabernal@azcc.gov.

25 (jc)
26

CONSENT TO ENTRY OF ORDER

1
2 1. Respondents MAG T INC., RLGMAN CORP., STABLE LLC, RICHARD L.
3 GREEN, and DONALD ANDREW ROTHMAN (collectively "Respondents") admit the jurisdiction
4 of the Commission over the subject matter of this proceeding. Respondents acknowledge that they
5 have been fully advised of their right to a hearing to present evidence and call witnesses and they
6 knowingly and voluntarily waive any and all rights to a hearing before the Commission and all
7 other rights otherwise available under Article 11 of the Securities Act and Title 14 of the Arizona
8 Administrative Code. Respondents acknowledge that this Order to Cease and Desist, Order for
9 Restitution, Order for Administrative Penalties and Consent to Same ("Order") constitutes a valid
10 final order of the Commission.

11 2. Respondents knowingly and voluntarily waive any right under Article 12 of the
12 Securities Act to judicial review by any court by way of suit, appeal, or extraordinary relief
13 resulting from the entry of this Order.

14 3. Respondents acknowledge and agree that this Order is entered into freely and
15 voluntarily and that no promise was made or coercion used to induce such entry.

16 4. Respondents acknowledge that they have been represented by an attorney in this
17 matter, Respondents have reviewed this Order with their attorney, Douglas F. Behm, and
18 understand all terms it contains.

19 5. Respondents neither admit nor deny the Findings of Fact and Conclusions of Law
20 contained in this Order. Respondents agree that they shall not contest the validity of the Findings
21 of Fact and Conclusions of Law contained in this Order in any present or future proceeding in
22 which the Commission or any other state agency is a party concerning the denial or issuance of any
23 license or registration required by the state to engage in the practice of any business or profession.

24 6. By consenting to the entry of this Order, Respondents agree not to take any action or
25 to make, or permit to be made, any public statement denying, directly or indirectly, any Finding of
26 Fact or Conclusion of Law in this Order or creating the impression that this Order is without factual

1 basis. Notwithstanding the foregoing, this Order is not intended to collaterally estop, factually bind
2 or preclude Respondents from defending themselves in any administrative, civil or criminal
3 proceedings to which the Commission is not a party. Respondents will undertake steps necessary
4 to assure that all of their agents and employees understand and comply with this agreement.

5 7. While this Order settles this administrative matter between Respondents and the
6 Commission, Respondents understand that this Order does not preclude the Commission from
7 instituting other administrative or civil proceedings based on violations that are not addressed by
8 this Order.

9 8. Respondents understand that this Order does not preclude the Commission from
10 referring this matter to any governmental agency for administrative, civil, or criminal proceedings
11 that may be related to the matters addressed by this Order.

12 9. Respondents understand that this Order does not preclude any other agency or
13 officer of the state of Arizona or its subdivisions from instituting administrative, civil, or criminal
14 proceedings that may be related to matters addressed by this Order.

15 10. Respondents agree that they will not apply to the state of Arizona for registration as
16 a securities dealer or salesman or for licensure as an investment adviser or investment adviser
17 representative until such time as all restitution and penalties under this Order are paid in full.

18 11. Respondents agree that they will not exercise any control over any entity that offers
19 or sells securities or provides investment advisory services within or from Arizona until such time
20 as all restitution and penalties under this Order are paid in full.

21 12. Respondents agree that they will continue to cooperate with the Securities Division
22 including, but not limited to, providing complete and accurate testimony at any hearing in this
23 matter and cooperating with the state of Arizona in any related investigation or any other matters
24 arising from the activities described in this Order.

25 13. Respondents consent to the entry of this Order and agree to be fully bound by its
26 terms and conditions.

14. Respondents acknowledge and understand that if they fail to comply with the provisions of the order and this consent, the Commission may bring further legal proceedings against Respondents, including application to the superior court for an order of contempt.

15. Respondents understand that default shall render them liable to the Commission for its costs of collection and interest at the maximum legal rate.

16. Respondents agree and understand that if they fail to make any payment as required in the Order, any outstanding balance shall be in default as to the Respondent failing to make payment and shall be immediately due and payable without notice or demand. Respondents agree and understand that acceptance of any partial or late payment by the Commission is not a waiver of default by the Commission.

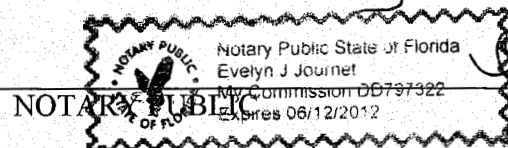
17. Respondent DONALD ANDREW ROTHMAN represents that he is the president of MAG T, Inc. and has been authorized by MAG T, Inc. to enter into this Order for and on behalf of it.

18. Respondent RICHARD L. GREEN represents that he is the president of RLGMAN CORP. and that RLGMAN CORP. is the managing member of STABLE, LLC. RICHARD L. GREEN further represents that he has been authorized by RLGMAN CORP. and STABLE, LLC to enter into this Order for and on behalf of them.

Donald Andrew Rothman
Donald Andrew Rothman

STATE OF Florida)
County of Broward) ss

SUBSCRIBED AND SWORN TO BEFORE me this 3rd day of February, 2012.



1 My commission expires:

2 _____

3 MAG T, Inc.

4
5 By Donald A Rothman
6 Donald Andrew Rothman

7 Its President

8 STATE OF FLORIDA)
9) ss
10 County of Broward)

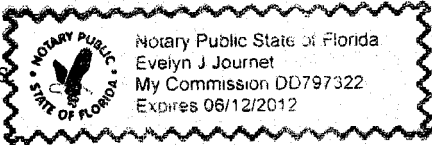
11 SUBSCRIBED AND SWORN TO BEFORE me this 3rd day of February, 2012.

12 [Signature]

NOTARY PUBLIC

13 My commission expires

14 _____



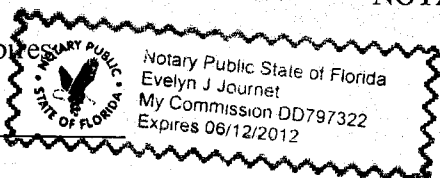
Richard L. Green

STATE OF FLORIDA)
) ss
County of BROWARD)

SUBSCRIBED AND SWORN TO BEFORE me this 3rd day of FEBRUARY, 2012.

NOTARY PUBLIC

My commission expires



RLGMAN Corp.

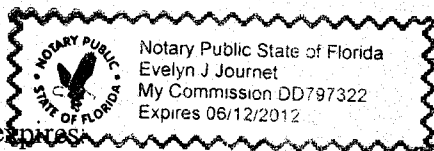
By
Richard L. Green

Its President

STATE OF FLORIDA)
) ss
County of BROWARD)

SUBSCRIBED AND SWORN TO BEFORE me this 3rd day of FEBRUARY, 2012.

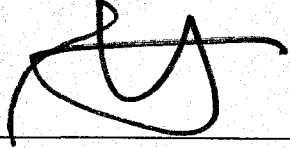
My commission expires



NOTARY PUBLIC

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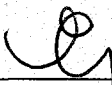
STABLE, LLC

By 
Richard L. Green

Its President

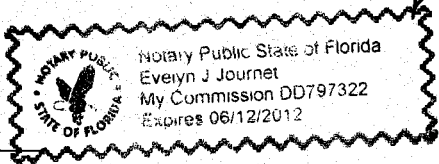
STATE OF Florida)
County of Broward) ss

SUBSCRIBED AND SWORN TO BEFORE me this 3rd day of February, 2012.



NOTARY PUBLIC

My commission expires:



1 SERVICE LIST FOR: MAGLEV WIND TURBINE TECHNOLOGIES, INC., et. al.

2
3 Brian J. Schulman, Esq.
4 GREENBERG TRAURIG, LLP
5 2375 East Camelback Road, Suite 700
6 Phoenix, Arizona 85016

7 Douglas F. Behm
8 DOUGLAS F. BEHM, PLLC
9 14362 North Frank Lloyd Wright Blvd., Suite 1000
10 Scottsdale, AZ 85260
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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

GARY PIERCE, Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

DOCKET NO. S-20788A-11-0096

In the matter of

MAGLEV WIND TURBINE TECHNOLOGIES, INC., a Nevada corporation,

MAGLEV RENEWABLE ENERGY RESOURCES, INC., a Wyoming corporation,

RENEWABLE ENERGY DEVELOPMENT, INC., an Arizona corporation,

RENEWABLE ENERGY SYSTEMS, INC., an Arizona corporation,

EDWARD L. MAZUR and JANE DOE MAZUR, husband and wife,

RONNIE WILLIAMS and JANE DOE WILLIAMS, husband and wife,

MAG T INC., a Florida corporation,

RLGMAN CORP., a Florida corporation,

STABLE, LLC, an inactive Florida limited liability company,

RICHARD L. GREEN, respondent,

DONALD ANDREW ROTHMAN, respondent,

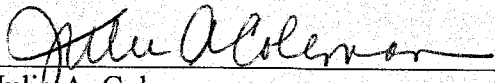
Respondents.

NOTICE OF FILING OF PROPOSED OPEN MEETING AGENDA ITEM

(Assigned to the Honorable Marc E. Stern)

Pursuant to A.A.C. R14-4-303, you are hereby notified that the attached: Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties and Consent to Same by

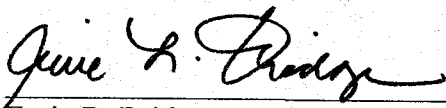
Respondents MAG T, Inc.; RLGMAN Corp.; Stable, LLC; Richard L. Green; and Donald Andrew Rothman was filed with the Arizona Corporation Commission's Docket Control.

Dated: 2/13/12 By: 
Julie A. Coleman
Chief Counsel of Enforcement
Attorney for the for the Securities Division of
the Arizona Corporation Commission

I hereby certify that I have this day served the foregoing document on all parties of record in this proceeding by mailing a copy thereof, properly addressed with first class postage prepaid to:

Brian J. Schulman, Esq.
GREENBERG TRAURIG, LLP
2375 East Camelback Road, Suite 700
Phoenix, Arizona 85016

Douglas F. Behm
DOUGLAS F. BEHM, PLLC
14362 North Frank Lloyd Wright Blvd., Suite 1000
Scottsdale, AZ 85260

Dated: 2/13/12 By: 
Emie R. Bridges, Executive Assistant